
OLR Bill Analysis

sSB 251

AN ACT CONCERNING VETERANS' JOBS.

SUMMARY:

This bill establishes the Unemployed Armed Forces Member Subsidized Training and Employment Program in the Department of Labor (DOL) to provide grants to subsidize a businesses' costs in hiring unemployed veterans. The grants cover a portion of the cost of compensating these new employees and training them on the job during their first six months of employment.

To fund the grants, the bill authorizes \$10 million in bonds, with \$5 million available upon its passage and the balance available in FY 13. DOL can use up to 4% of any of the bond funds allocated for the program to cover the cost of any outside consultants it hires to administer the grants.

The bill requires the labor commissioner to report biannually on the program, beginning June 30, 2013, to the Appropriations; Commerce; Labor; Veterans' Affairs; and Finance, Revenue and Bonding committees.

It allows the labor commissioner to adopt implementing regulations.

EFFECTIVE DATE: Upon passage

ELIGIBILITY

Businesses

The program is open to any type of business that is based in Connecticut, has been registered to do business here for at least 12 months, and is in good standing regarding all state and local taxes.

Employee

Under the bill, businesses qualify for a training and employment grant based on the new employees' prior employment and veteran status.

First, the employees must be unemployed before the business hired them, regardless of whether they received unemployment benefits, and as long as they were not employed by a related person (see below) in Connecticut at any time during the 12 months before they were hired.

Second, concerning veteran status, the new employee must have been:

1. a member of the armed forces of any state or any reserve component of the U.S. armed forces;
2. called to active service in support of Operation Enduring Freedom or presidentially authorized military operations against Iraq; and
3. honorably discharged after serving at least 90 days in an area the president designated by executive order as a combat zone, or earlier if the employee was separated from service due to a Veterans' Administration-rated service-connected disability.

Under the bill, a related person includes a corporation, limited liability company (LLC), partnership, association, or trust in or under the business' control. Control is based on ownership of (1) stock in a corporation; (2) capital or profit interest in a partnership, LLC, or association; or (3) a beneficial interest in a trust, all according to federal tax law.

TRAINING AND EMPLOYMENT GRANTS

Businesses may apply to DOL for a grant for each employee meeting the above criteria. In doing so, they must describe the on-the-job training the employee will receive. DOL must review and approve that description as part of the business' grant application.

The grant covers a portion of the cost of training and compensating the employee, not counting benefits, during his or her first six months on the job, up to a maximum of \$20 per hour. As Table 1 shows, the grant amount phases out during this six-month period.

<i>Month</i>	<i>Grant Amount as Percent of Employee's Training and Compensation</i>
1	100%
2 and 3	75%
4 and 5	50%
6	25%

The grant payments immediately end if the employee leaves the business before the end of the six-month period. A business receiving a grant cannot receive (1) a second grant for an employee who remains after this period or (2) a grant under the state's Subsidized Training and Employment Program (STEP).

REPORTING

In each six-month report, the labor commissioner must include available data on:

1. the number and types of businesses that received training and employment grants and
2. the number of unemployed veterans that were hired because of these grants.

BACKGROUND

Related Program

PA 11-1, October Special Session, created the Subsidized Training and Employment Program (or STEP) to subsidize a portion of the training and compensation costs of hiring unemployed workers. But it targets small businesses and small manufacturers (fewer than 50

employees). Subsidies differ for non-manufacturing and manufacturing businesses.

Related Bills

sSB 77 (File 46) and sSB 1, both favorably reported by the Commerce Committee, contain similar provisions establishing an Unemployed Armed Forces Member subsidized Training and Employment Program.

COMMITTEE ACTION

Select Committee on Veterans' Affairs

Joint Favorable Change of Reference
Yea 9 Nay 0 (03/08/2012)

Labor and Public Employees Committee

Joint Favorable Substitute
Yea 11 Nay 0 (03/15/2012)